Veterans Affairs Canada | Anciens Combattants Canada

# Departmental Performance Report

## 2011-12

The Honourable Steven Blaney, P.C., M.P.
Minister of Veterans Affairs

Canada

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## How to Read this Report

Each year, every ministry of the Government of Canada must create a *Departmental Performance Report* (DPR) that describes how it met the performance expectations set out in its earlier *Report on Plans and Priorities* (RPP). The aim of the report, which covers the most recent government fiscal year, is to be straightforward and concise, and to focus on results achieved. The DPR is then tabled in Parliament by the President of the Treasury Board, on behalf of each department's minister.

This DPR by Veterans Affairs Canada (VAC) is the Department's account of the results it achieved during the 2011–2012 fiscal year. The report begins with an introductory message from the Honourable Steven Blaney, Minister of Veterans Affairs, and then moves into four different sections that break down VAC's performance, and they are as follows:

**Departmental Overview:** This section gives the "big picture" of how the Department operates, including an overview of the organization, and general information about its activities. This section links organizational priorities to three strategic outcomes, and provides a risk analysis, a performance summary, and a departmental expenditure profile.

**Analysis of Program Activities:** This section gives a more detailed presentation of the information in Section 1, and sets out the Department's performance against its commitments and expected results.

**Supplementary Information:** This section contains the Department's financial highlights, links to financial statements, and tables of supplementary information. It also provides context, analysis, and a general overview of VAC's finances and operating environment.

**Other Information:** This final section contains contact information and links to websites.

VAC has made every effort to provide a balanced report, by highlighting not just its successes and accomplishments but also areas where lessons have been learned, and where improvements could be made.

## Minister's Message

Canada's Veterans are truly remarkable men and women. In many ways, they represent the best of what it means to be Canadian. Every day, we at Veterans Affairs Canada have the unique privilege of demonstrating an entire country's pride in these national heroes. It is a privilege that never grows old.

With this Departmental Performance Report for 2011–2012, I am pleased to report that we are continuing to make substantial progress in meeting the diverse and evolving needs of Veterans, men and women in uniform of the Canadian Forces and the RCMP, and their families. This was best highlighted by the enhancements to the New Veterans Charter, and their accompanying regulatory changes. These have resulted in significantly enhanced benefits for thousands of seriously ill and injured Veterans, as well as flexible new payment options for recipients of a disability award. With these new measures, Veterans with the most serious injuries are guaranteed a minimum annual pre-tax income of $58,000.

At the same time, we are delivering real results through our *Cutting Red Tape for Veterans* initiative. This ongoing five-year plan includes eliminating unnecessary paperwork and layers of bureaucracy, reducing wait times, simplifying complex policies, communicating in plain language, and providing more tools and services online. Veterans are already noticing the difference—whether it is switching to up-front payments for their grounds maintenance and housekeeping services under the Veterans Independence Program (VIP) or no longer being required to submit receipts with their Health Related Travel claims. In every way, we are determined to provide better and faster service in more modern and convenient ways.

In addition, we are complementing our existing programs to help Veterans transition to civilian life with new initiatives such as the Helmets to Hardhats Canada program; we are enhancing our mental health services for Veterans struggling with psychological issues resulting from their service; and we are launching new projects to help homeless Veterans leave life in the street behind.

Finally, we continue to honour and recognize the extraordinary achievements and profound sacrifices of our Veterans and their families. For example, we support events and activities across the country and overseas, to ensure that Canadians remember and fully appreciate the vital role our Veterans have played in building and defending our great nation.

Of course, there is always more we could do at Veterans Affairs. That is why we are constantly improving how we serve and honour so many of this country's finest citizens. This is our labour of love—a noble calling that we are proud to accept, on behalf of a grateful nation.

The Honourable Steven Blaney, P.C., M.P.
Minister of Veterans Affairs

# Section I: Departmental Overview

This section provides high-level information on the Veterans Affairs Portfolio.

## Raison d'être

Canada's development as an independent country with a unique identity stems partly from its achievements in times of war. Veterans Affairs Canada (VAC) exists to assist and help those whose courageous efforts gave us this legacy and contributed to our growth as a nation.

VAC's mandate is set out in the *Department of Veterans Affairs Act*[1]. It charges the Minister of Veterans Affairs with responsibility for "the care, treatment, or re-establishment in civil life of any person who served in the Canadian Forces or Merchant Navy or in the naval, army, air forces or merchant navies of Her Majesty, of any person who has otherwise engaged in pursuits relating to war, and of any other person designated ... and the care of the dependants or survivors of any person referred to." Through an Order-in-Council, VAC has responsibility for keeping alive the achievements and sacrifices of those who served Canada in times of war and peace.

## Responsibilities

### Veterans Affairs Canada

Veterans Affairs Canada achieves its mandate by providing services and benefits that respond to the needs of Veterans, other individuals and their families.

VAC has three main roles:

**Provider** of disability compensation and financial support – VAC administers programs which recognize and compensate for the pain and suffering of service-related disabilities. The Department also provides financial support and assistance when career-ending or service-related disabilities affect one's ability to earn income.

**Funder** for health care and re-establishment services – The Department works with other levels of government—federal, provincial and territorial—to provide access to health programs that enhance the well-being of Veterans and other eligible individuals, promote independence and ensure continued care. The Department also provides support to Canadian Forces Veterans and their families to ease their transition to civilian life.

[1] http://laws.justice.gc.ca/eng/acts/V-1/index.html

**Catalyst** for national and international remembrance – The Department keeps alive the achievements and sacrifices of those who served Canada in times of war, military conflict and peace, and promotes the importance of these efforts on Canadian life as we know it today. VAC fosters remembrance of the contributions made by Canada's war dead and Veterans through its Canada Remembers Program[2]. It also maintains and operates 14 memorial sites in Europe.

### Veterans Ombudsman

The Office of the Veterans Ombudsman helps Veterans and their families address concerns related to VAC and the *Veterans Bill of Rights*[3]. As an impartial and independent officer, the Veterans Ombudsman reports directly to the Minister of Veterans Affairs and works to ensure that Veterans, their representatives and families are treated fairly.

## Veterans Affairs Canada's Operational Structure

VAC's head office is located in Charlottetown, Prince Edward Island, and is the only federal government department with a head office located outside of the National Capital Region, although it maintains a presence in Ottawa. The Department delivers services through regional and district offices and other points of service across the country, depending on need, such as the 24 integrated personnel support centres, 10 operational stress injury clinics and the National Client Contact Network.

The Department also maintains Ste. Anne's Hospital, located a half an hour from Montréal and provides its veteran-residents with an exceptional environment designed to promote an optimal level of care, and the highest possible quality of life.

The Office of the Veterans Ombudsman has two offices, one in Ottawa and one in Charlottetown.

[2] http://www.veterans.gc.ca/eng/remembrance
[3] http://www.ombudsman-veterans.gc.ca/rights-droits-eng.cfm

## Program Activity Architecture

VAC's three main Strategic Outcomes (SOs) guide all its program activities (PAs) and sub-activities. The Department's achievements stem from the goal of meeting these targets. The SOs are explained in the chart below.

| Strategic Outcomes | | | | | |
|---|---|---|---|---|---|
| Well-being of eligible Veterans and other individuals VAC serves | | Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace | | Veterans and other individuals the Ombudsman serves receive an independent and impartial review of VAC related complaints | |
| **Program Activities** | | | | | |
| **Compensation and Financial Support** | **Veterans Health Care and Re-establishment** | **Remembrance Outreach** | **National and International Memorials** | **Veterans Ombudsman** | **Internal Services** |
| ***Sub Activities*** | | ***Sub Activities*** | | | ***Sub Activities*** |
| Disability and Death Compensation | Long Term and Nursing Home Care | Information products and learning intiatives | Funeral and Burial Program | | Governance and Management Support |
| Financial Support | Health Care Benefits and Other Health and Re-establishment Services | Ceremonies and Events | Memorials and Cemetery/Grave Maintenance | | Resource Management Services |
| Bureau of Pensions Advocates | Home Care and Other Veterans Independence Program Services | Partnerships | European Operations | | Asset Management Services |

## Organizational Priorities

This section outlines VAC's work in 2011–2012 to support its strategic outcomes. The goals are described here under the headings of "operational priorities," for both VAC and the Office of the Veterans Ombudsman (OVO); and "management priorities" (VAC only).

### Operational Priorities (VAC)

| **Improved Service Delivery** | **New in 2011-2012** |
|---|---|
| Streamlining VAC's processes allowed the Department to offer Veterans and their families faster and easier access to benefits; more professional service from staff who are better equipped to do their work, and who understand military culture; and a seamless transition from military to civilian life. | |
| **Contributing to:**<br>SO 1<br>PA(s)<br>▪ Compensation and Financial Support<br>▪ Veterans Health Care and Re-Establishment | **Results Achieved**<br>In early 2011, VAC began to revise its policies and processes with the aim of reducing their complexity. Staff reviewed how things were done, and amended and simplified many procedures. The result was that the turnaround time for certain decisions were reduced—for example, decisions on eligibility for the Rehabilitation Program were reduced from four weeks to two weeks. The Department will build on this by "cutting red tape" and eliminating paperwork for renewals under the Veterans Independence Program (VIP) and reducing the number of health benefits that need pre-approval. The Department is also moving toward replacing existing contribution arrangements for VIP housekeeping and grounds maintenance services with an annual grant.<br><br>In June, six new eligibility guidelines were created. These allowed Veterans and other individuals the Department serves to submit applications for disability benefits more easily, and also allowed VAC staff more discretion in making decisions. As well, in September, 2011, simplified and shortened medical questionnaires were developed to focus on specific medical conditions. This helped reduce overall complexity and further streamline the process. These changes mean that Veterans and other individuals can now get decisions faster, without going through several layers of approval.<br><br>Changes were also made to the administration of the VIP, the Treatment Benefits Program, and the Rehabilitation Program—all with the goal of reducing red tape and improving service. VAC now plans to offer more online options, so that Veterans can interact with the Department 24 hours a day, seven days a week. And to allow the Department to communicate better with Veterans and other individuals the Department serves, staff are receiving enhanced training and form letters are being rewritten in plain language.<br><br>To further improve services to Veterans and other individuals the Department serves, VAC will partner with Service Canada in the coming year. Veterans, men and women in uniform of the Canadian Forces, their families and other individuals the Department serves will soon have access to more than 600 points of service across the country thanks to this partnership.<br><br>To ensure staff are well equipped to do their work, new "workload intensity tools" were introduced to identify the levels of risk and complexity of individual cases. These tools allow VAC case managers to target workloads and effectively deal with |

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| | a range of 30–40 Veterans that require case management. This has strengthened the Department's delivery of services and ensures that Veterans' needs are well taken care of.<br><br>VAC partnered with the Department of National Defence (DND) to review interrelated programs and identify any gaps or areas of duplication. Several priorities were identified. These include aligning existing authorities, continuing to smooth the transition of Canadian Forces (CF) Veterans to civilian life; consulting DND when revising VAC policies, to try to align the two sets; and increasing VAC staff's knowledge of military culture by mandating various training experiences focused on the Canadian Forces and, hiring former men and women in uniform of the Canadian Forces where appropriate.<br><br>VAC is also continuing its efforts to increase awareness of the benefits and services available through the Department itself, and through DND/CF to Veterans and other individuals. In 2011–2012, a dedicated unit was established to conduct this type of outreach, and to develop a framework for consulting with modern-day Veterans.<br><br>To better support VAC's new business model, the Department has undergone some internal restructuring to strengthen its capacity in certain areas: mental health, commemoration, research, and legislation and regulations. To improve internal functions, the reporting structure for Finance and Human Resources were aligned; and communication between regional and district staff was simplified. These changes will lead to more focused and professional service, by staff who are better equipped for their work. |

| **Ensuring Continuity of Care to Veterans** | **New in 2011-2012** |
|---|---|
| Ste. Anne's, the last remaining federal Veterans hospital, has been seeing a steady decline in the number of long-term care patients since the 1980s. If the Hospital is to keep up its current quality of care to Veterans, it is vital to maintain a critical mass of residents. | |
| **Contributing to:**<br>SO 1<br>PA(s)<br>▪ Veterans Health Care and Re-Establishment | **Results Achieved**<br>The Department continued its negotiations with the Province of Quebec to transfer Ste. Anne's Hospital. The target date for the transfer is March 31, 2013. Ensuring priority access to care and services for Veterans in both official languages and the interest of employees are priorities in discussions of the transfer.<br><br>VAC has established a governance structure to support the work associated with the transfer. A government steering committee leads the transfer work. This committee, chaired by the Deputy Minister of VAC, includes representation from several departments: Privy Council, Finance, Treasury Board Secretariat, and the Office of the Chief Human Resources Officer.<br><br>To ensure the satisfaction of all stakeholders post transfer—Veterans, Hospital employees, and others—the Department is proposing that an advisory committee be set up to oversee a performance measurement and accountability framework. The intent would be to have the advisory committee and its mandate included as part of the final transfer agreement.<br><br>There is a declining demand for long-term care beds for traditional Veterans at the Hospital. As such, senior management at the Hospital monitor bed capacity closely |

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| | to ensure that maximum use is made of the facilities. In January 2012, 17 beds were empty, leading to the closure of a hospital unit in March 2012. Ste. Anne's Hospital continues to ensure that Veterans receive excellent care and services. |

| **Refocus Remembrance Activities** | **Ongoing** |
|---|---|
| Veterans are a direct link with Canadian history and identity. Despite the passing of traditional Veterans, we must continue to keep alive the memory of their achievements and sacrifices; and we must also recognize and honour Canadian Forces Veterans. | |
| **Contributing to:**<br>SO 2<br>PA(s)<br>• Remembrance Outreach;<br>• National and International Memorials | **Results Achieved**<br>VAC has worked to increase the awareness and participation of Canadians in remembrance activities, and also to increase corporate involvement. As well, it has continued to successfully use new social media and modern technology, especially in its effort to reach out to the youth sector. It has also worked to ensure that CF Veterans are appropriately honoured.<br><br>In 2011–12, VAC posted 855 national, international and regional remembrance activities to its Calendar of Events, and supported commemorative activities in 145 communities across Canada. The Department also entered into 165 partnership funding agreements. One such agreement was its partnering with the Canadian Football League (CFL), which publicly recognized Canada's Veterans through commemorative activities held at the 2011 CFL semi-finals in Montréal and Edmonton. Another initiative was the Jake Gaudaur Veterans Award, presented to Toronto Argonauts player Andre Durie. This award recognizes a CFL player who best demonstrates the qualities attributed to our Veterans: perseverance, comradeship, strength, courage, and community engagement.<br><br>VAC's corporate involvement included its support of the "Vimy: Leadership Under Fire" tour, sponsored by The True Patriot Love Foundation and designed to increase awareness, support and commemoration of Veterans. Part of the tour included stops at Beaumont-Hamel and Vimy.<br><br>As well, youth continue to be taught about the accomplishments of traditional and modern-day Veterans through VAC's many educational products. In fact, social media are the key to reaching out to all Canadians today, especially youth. VAC's Facebook page, Canada Remembers, has some 640,000 "Likes," giving the Department a substantial online reach. The YouTube channel is also active, with over 160,000 views of its twenty videos. An example of VAC's increasingly creative engagement with youth was its partnership with several Halifax-area schools to put on a remembrance-themed Flash Mob during Veterans' Week 2011. YouTube views of the event have reached over 16,000.<br><br>A vital component of VAC's work is bridging the gap between traditional and modern-day Veterans, to keep remembrance programming as relevant as possible. With this in mind, the Department performed a review of the Canada Remembers program to determine which areas might best commemorate today's Veterans. It also held information sessions for men and women in uniform of the Canadian Forces—both to give them information on VAC's remembrance programs, and to gather feedback on how this cadre of Veterans would like to be commemorated. |

Management Priorities (VAC)

| **Modernizing Internal Services** | **New in 2011-2012** |
|---|---|
| In order to successfully implement VAC's many changes, the Department must improve its organizational performance, and the management of its resources. | |
| **Contributing to:**<br>Links to all SO's<br><br>PA(s)<br>• Internal Services | **Results Achieved**<br>It is imperative for VAC to modernize its internal services and find efficiencies within the Department—these activities are key to delivering excellent services, and transforming the Department.<br><br>The Department drafted a National Learning Strategy to enable its staff to meet their learning commitments and embrace their future challenges. This key element in VAC's transformation focuses on three priorities: fulfilling learning commitments, developing leadership, and reducing complexity. As well, some 75% of VAC staff have completed learning plans, and 92% have completed a "CF 101" course designed to enhance their awareness of military culture.<br><br>In July 2011 all internal advertised appointment processes at VAC were opened to certain classes of men and women in uniform of the Canadian Forces. Also, positions are being reviewed to see which ones could be strengthened by adding "experience as a member of the Canadian Forces" as an asset qualification. These initiatives will enhance the internal culture and knowledge of the Canadian Forces at VAC.<br><br>Another initiative is a comprehensive National Case Management Learning Strategy. It was developed by consulting with working groups, and reviewing departmental literature and surveys of case managers' learning needs.<br><br>VAC implemented a Privacy Action Plan in late 2010, in response to recommendations from the Privacy Commissioner, in order to ensure that personal information was being appropriately handled. Those original action items have all now been completed; and the Department is in the process of drafting the next plan, Privacy Action Plan 2.0, to continue the work.<br><br>During the 2011–2012 fiscal year, Access to Information and Privacy (ATIP) related training was provided to over 233 staff, at all levels, in 25 sessions. Some training was aimed at addressing the requirements of the 10-Point Privacy Action Plan and following through on recommendations made by the Office of the Privacy Commissioner in 2010. Other sessions continued to build on the comprehensive training that was provided in 2010–2011. This ensured that staff and managers understand their roles and responsibilities with respect to access to information and privacy, and information management. Since April 1, 2011, ATIP specialists have been involved in the delivery of sessions to staff with a goal to enhance the knowledge, skills and perspectives of all employees, concerning Access to Information and Privacy.<br><br>Also, VAC implemented a Privacy Breach Policy and a Privacy Breach Guideline. This helps ensure that all employees, contractors, and other agents or representatives of VAC are aware of their responsibilities as they relate to privacy incidents and privacy breaches, should one occur. |

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| | VAC developed a security plan to ensure that the Department can effectively handle any security situations that could affect its operations. The plan outlines how to protect the safety of staff, how to ensure that information is not compromised, how to safeguard assets, and how to continue delivering programs and services to Veterans during a disruption.<br><br>In terms of internal oversight and management, six audits were conducted in 2011–2012. These covered key areas of risk and significance, such as Long-Term Care, the VIP, and Service Standards. Each audit determined how well VAC's governance, risk management, and internal controls were operating, and recommended action to address any gaps. The concept of "integrated risk management" was introduced to all facets of the Department's work, to make it part of the workplace culture. A formal Risk Management Policy and Framework was approved in January 2012.<br><br>Another comprehensive process that was developed is the 2011–12 Corporate Risk Profile, created to give senior management a tool for risk-based decision-making. Overall risk management was strengthened by broadening membership of the Departmental Risk Management Board. |

Operational Priority (OVO)

| **Ensuring the fair treatment of the Veteran community and upholding the rights articulated in the Veterans Bill of Rights** | **Ongoing** |
|---|---|
| All Veterans are entitled to receive equitable, fair, accessible and timely services, benefits and support. The independent voice that ensures that those commitments are honoured belongs to the Office of the Veterans Ombudsman. | |
| **Contributing to:**<br>SO 3<br>PA(s)<br>• Veterans Ombudsman | **Results Achieved**<br>If Veterans and other individuals VAC serves feel they have been treated unfairly, the Office of the Veterans Ombudsman (OVO) has the authority to intervene. Often, a significant portion of the Office's work is listening to the perspective of the Veteran or other individual, and determining what steps to take next. In 2011–2012, the OVO's caseload included:<br><br>〉 1,778 cases, of which 231 were ongoing and 1,547 were new<br>〉 1,602 cases closed<br>〉 71% of closed cases were either resolved or referred to another agency<br>〉 29% of closed cases were either outside the OVO's mandate, or were not substantiated.<br><br>As well as resolving individual problems, the OVO also attempts to solve larger systemic issues—those that concern the administration of programs or services, or that are systemically inherent in VAC's overall system. These often require much more extensive research and analysis, and a systemic review is initiated. The OVO completed two systemic reviews in the last fiscal year. In February 2012 it released a report titled *Veterans' Right to Know Reasons for Decisions: A Matter of Procedural Fairness*, examining the adequacy of information provided in VAC decision letters to Veterans who apply for disability pensions or awards. And in March, the Office released another report, on the subject of the Veterans Review and Appeal Board. It was titled *Veterans' Right to Fair Adjudication: Analysis of* |

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|---|---|
| | *Federal Court Decisions Pertaining to VRAB.*<br><br>In 2011–2012, from the arising of emerging issues, the Office initiated the review of 34 issues pertaining to the application or interpretation of policies or procedures.<br><br>Consultation is key to the success of the Ombudsman. Throughout the fiscal year activities included:<br><br>〉 attending a number of events across the country;<br>〉 speaking to the Senate Committee on National Finance;<br>〉 addressing the House Standing Committee;<br>〉 conducting many "town hall" meetings across Canada;<br>〉 meeting with Veterans, men and women in uniform of the Canadian Forces and the RCMP, and any other interested parties; and<br>〉 engaging all Canadians (including Veterans) online, via approaches such as Facebook, YouTube, Twitter and blogs. |

## Risk Analysis

### *Operating Environment*

In 2010–2011, VAC started to significantly transform the way the Department operates. A year later, this transformation continues. While VAC is still focused on the work to come, Veterans and other individuals the Department serves are already benefiting from its successes. Short and long-term changes are already happening at VAC to cut red tape and improve service to Veterans and their families. These new changes will fundamentally alter how services are provided, and will improve all aspects of the way people interact with the Department.

Last year, five priorities were established for the future:

〉 Simplifying the way programs operate.

〉 Improving the way the Department delivers programs, and making them more flexible.

〉 Strengthening VAC's interaction with DND and other partners, with the goal of helping servicemen and women to make a smooth transition into civilian life.

〉 Sustaining the New Veterans Charter (NVC).

〉 Continuing to use resources where they are most needed, based on Veteran demographics—that is, the age, gender, income, educational level of people VAC serves.

In the last year, VAC has made major changes to its goals for delivering services to Veterans. For example, the time needed to process applications for rehabilitation programs was cut in half;

and more self-service options were introduced. Another improvement in 2011 (in response to comments from Veterans) was to enhance the NVC, which now provides more benefits and more flexible payment options. These upgrades reaffirm the Government's commitment to reviewing programs when necessary.

Over the last year the Department continued to listen to Veterans and other stakeholders as they talked about their needs. VAC has established a formal "consultation directorate" to ensure Veterans and their families are heard—and that the results are incorporated into decision making.

VAC also performed several internal audits and evaluations. The findings have given the Department valuable input in terms of focusing on current priorities, and identifying risks. All opportunities for improvement are carefully considered, and VAC monitors its progress against the early recommendations. (For more information on VAC's audits and evaluations, visit http://www.veterans.gc.ca/eng/department/reports/deptaudrep).

### *Risks Managed*

VAC continues to identify, assess, monitor and manage any significant risks posed both by its existing environment, and its transformation. In 2011–2012, the Department made great strides by implementing an Integrated Risk Management Framework, designed to inform decision-making and move from being reactive to pro-active in addressing uncertainty. As part of this process, VAC enhanced its approach to risk management by revising the risk management policy and strengthening management oversight. These enhancements ensure that managing, monitoring and reporting on risk is an integral component used to inform decision making.

### Modernizing Service Delivery

VAC is committed to making sure that its programs and services respond to the evolving needs of Veterans and their families. The demographics of the people VAC serves are continually changing; and because of these new and diverse needs, the Department continues to monitor any risks that may arise. A strong governance process is vital to support sound decision-making, and to meet these objectives. VAC continues to risk-manage its internal environment to ensure that programs and services are offered in a timely and efficient manner.

### Privacy

Privacy protection is a key factor at all levels of government, and VAC shares the concern for having guidelines in place to prevent information in its care from being inappropriately treated. The Department created its first Privacy Action Plan in late 2010; the plan had ten "action items," which have all been completed. Now a second version, Privacy Action Plan 2.0, with four further action items, has been tabled, and will soon be implemented. This commitment to risk mitigation will ensure that privacy protection is an integral part of the Department's overall management framework.

### Ste. Anne's Hospital Transfer

VAC is currently negotiating with the Province of Quebec regarding the transfer of Ste. Anne's Hospital, and will mitigate any risks that would affect the continuity and quality of care. Strategies are in place to ensure that Veterans continue to use the hospital, and continue to receive the same excellent standard of care—plus access to a wide range of programs and services.

## Summary of Performance

This section sums up VAC's financial resources, human resources, and overall performance. Each summary table lists the indicators and targets from the 2011–2012 *Report on Plans and Priorities,* along with information on the progress achieved for each of the three strategic outcomes (SOs).

### *Financial and Human Resources*

The table below shows VAC's expenditures on the activities, in terms of both financial resources and human resources (calculated in full time equivalents, or FTEs).

| | Financial Resources ($ millions) | | | Human Resources (FTE's) | | |
|---|---|---|---|---|---|---|
| | Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| Veterans Affairs Canada (VAC) | 3,517.3 | 3,661.8 | 3,491.5 | 3,625 | 3,577 | 48 |
| Office of the Veterans Ombudsman (OVO) | 5.9 | 6.8 | 5.6 | 40 | 47 | (7) |

### *Performance Summary Tables by Strategic Outcome*

Strategic Outcome 1
**Well-being of eligible Veterans and other individuals VAC serves**

| Performance Indicator | Target | Result |
|---|---|---|
| Percentage of eligible Veterans and other individuals who report they are "very satisfied" or "satisfied" with their life in general. | 70% | Overall, 83% of eligible Veterans and other individuals reported they were "satisfied" or "very satisfied" with their life in general. |
| Percentage of Veterans and other individuals who are "very satisfied" or "satisfied" with their financial situation | 75% | Overall, 80% of Veterans and other individuals reported they were "very satisfied" or "satisfied" with their financial situation |
| Percentage of Veterans and other individuals VAC serves who report they have a "very strong" or "somewhat strong" sense of belonging to the community | 65% | Overall, 62% of Veterans and other individuals VAC serves report they have a "very strong" or "somewhat strong" sense of belonging to the community |

| Program Activity | 2010-2011 Actual Spending ($ millions) | 2011-2012 ($ millions) | | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|
| | | Main Estimates | Planned Spending | Total Authorities | Actual Spending | |
| Compensation and Financial Support. | 2,269.8 | 2,263.9 | 2,263.9 | 2,358.9 | 2,261.1 | Income Security and Employment for Canadians |
| Veterans Health Care and Re-establishment. | 1,106.2 | 1,124.6 | 1,124.6 | 1,157.3 | 1,106.4 | Healthy Canadians |
| **Total for SO1** | **3,376.0** | **3,388.5** | **3,388.5** | **3,516.2** | **3,367.6** | |

Strategic Outcome 2

**Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace**

| Performance Indicator | Target | Result |
|---|---|---|
| Percentage of Canadians engaged in remembrance. | 35% | 25% |

| Program Activity | 2010-2011 Actual Spending ($ millions) | 2011-2012 ($ millions) | | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|
| | | Main Estimates | Planned Spending | Total Authorities | Actual Spending | |
| Remembrance Outreach | 15.5 | 12.8 | 12.8 | 19.3 | 16.9 | A Vibrant Canadian Culture and Heritage |
| National and International Memorials | 25.1 | 28.6 | 28.6 | 29.4 | 25.9 | A Vibrant Canadian Culture and Heritage |
| **Total for SO2** | **40.6** | **41.4** | **41.4** | **48.7** | **42.9** | |

Strategic Outcome 3

**Veterans and other individuals the Ombudsman serves receive and independent and impartial review of VAC related complaints**

| Performance Indicator | Target | Result |
|---|---|---|
| Percentage of Veterans and other individuals who report they received independent and impartial review of VAC related complaints | 80% | Unable to assess, the survey was not conducted during the 2011-12 fiscal year |

| Program Activity | 2010-2011 Actual Spending ($ millions) | 2011-2012 ($ millions) | | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|
| | | Main Estimates | Planned Spending | Total Authorities | Actual Spending | |
| Veterans Ombudsman | 4.9 | 5.9 | 5.9 | 6.8 | 5.6 | Income Security and Employment for Canadians |
| **Total for SO3** | **4.9** | **5.9** | **5.9** | **6.8** | **5.6** | |

**Program Activity Supporting all Strategic Outcomes**

| Program Activity | 2010-2011 Actual Spending ($ millions) | 2011–2012 ($ millions) | | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|
| | | Main Estimates | Planned Spending | Total Authorities | Actual Spending | |
| Internal Services | 81.8 | 87.4 | 87.4 | 96.9 | 81.0 | N/A |
| **Total** | **81.8** | **87.4** | **87.4** | **96.9** | **81.0** | |

Note: Totals may not add due to rounding

## The Federal Sustainable Development Strategy (FSDS)

The FSDS outlines the Government of Canada's commitment to improving the transparency of environmental decision making by articulating its key strategic environmental goals and targets. VAC ensures that consideration of these outcomes is an integral part of its decision-making processes. The Department contributes to the FSDS themes as denoted by the visual identifier and associated program activities below.

During 2011–2012, VAC considered the environmental effects of initiatives subject to the Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals. Through the strategic environmental assessment process, departmental initiatives were found to have neither a positive or negative environmental effects on goals and targets in Theme IV – Shrinking the Environmental Footprint – Beginning with Government.

For further information on VAC's activities to support sustainable development and strategic environmental assessments, please visit the departmental website[4]. For complete information on the FSDS, please visit the Environment Canada[5] website.

## Expenditure Profile

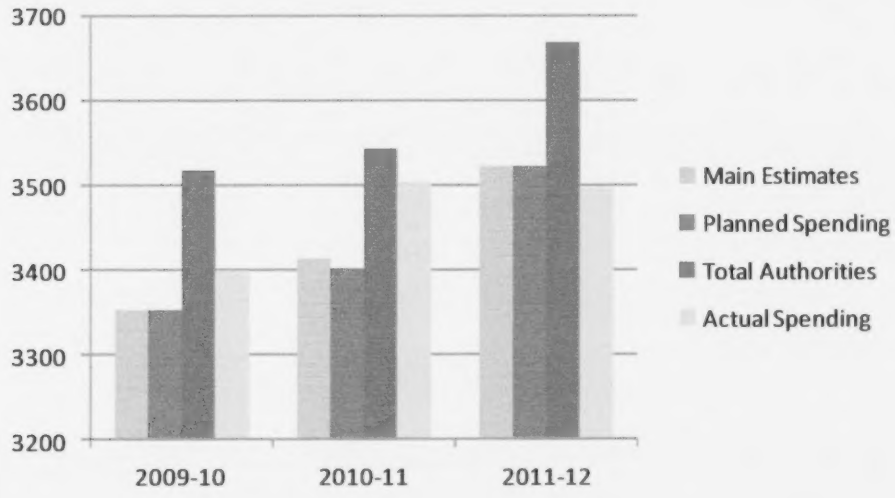
In 2011–12, VAC's total spending was $3.5 billion and was generally consistent with total spending in 2010–2011. Similar to 2010-2011, 97.7% of annual spending was directed to meeting the Department's strategic outcomes, while only 2.3% was spent on internal services. Overall, expenditures decreased by $6 million from 2010-2011 levels—less than 1%.

In fall 2011, the Minister of Veterans Affairs announced enhancements to the New Veterans Charter, providing improved financial support for those most seriously injured or ill Veterans. These enhancements included more flexible payment options for those receiving a disability award, as well as 90 days to choose their preferred payment option. For those who choose the new payment option, payments are spread out over a longer period instead of in one lump-sum. This deferring of disbursements contributed to a $45 million decrease in Disability Awards program expenditures. As in previous years, spending on other NVC programs went up. These increases were partially offset by the sad reality that the number of traditional Veterans is decreasing. Overall, there was a net decrease in grants and contributions program spending in 2011-2012 of $35 million.

[4] http://www.veterans.gc.ca/clients/sub.cfm?source=department/reports/sds2007
[5] http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1

Operating expenditures increased by $29 million due to two main factors: increased severance pay-outs to employees resulting from the revision of specific collective agreements and an increase in the number of *ex gratia* payments. These increases were offset by a reduction in health purchased services, such as prescription drugs and long-term care. This decrease is again the result of the sad reality that the number of traditional Veterans is decreasing. VAC also transferred some funding to the new Shared Services Canada, which was established in August 2011 to streamline the Government's email, data centre and network services.

Departmental Spending Trend ($ millions)




## Voted and Statutory Items

For information on VAC's organizational Votes and/or statutory expenditures, please see the Public Accounts of Canada 2012 (Volume II). An electronic version of the *Public Accounts 2012* is available on the Public Works and Government Services Canada's website[6].

[6] http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

## Section II: Analysis of Program Activities by Strategic Outcome

This section presents Veterans Affairs Canada's performance against the expected results identified in the 2011-2012 *Report on Plans and Priorities*.

| Strategic Outcome 1 | Eligible Veterans and other individuals achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment |
|---|---|

**Program Activities**

| | |
|---|---|
| Compensation and Financial Support | Veterans Health Care and Re-establishment |

To care for the health and well-being of Veterans after their release from service, VAC provides access to programs and services aimed at meeting their physical, mental, and financial needs, plus those of their families.

VAC conducts client surveys every three years. Based on the latest client survey (2010), VAC was able to exceed some of its performance targets in both existing and new indicators, for Veterans and other individuals it serves.

**Spending Breakdown by Program Activity 2011-12**

- More than three-quarters (83%) of eligible Veterans and other individuals[7] reported they were "satisfied" or "very satisfied" with their life in general.
- Most Veterans and other individuals[8] were satisfied with their housing (93%), family relationships (91%), financial situation (80%) and main job or activity (68%).
- Some 82% of Veterans and other individuals[9] served by VAC reported positive mental health—exceeding the target of 70%. The self-reported mental health of Veterans is still low though compared to the Canadian population.

[7] Veterans and other individuals include: War Service Veterans; Canadian Forces Veterans and men and women in uniform of the Canadian Forces; survivors over the age of 25 and in receipt of VIP; and still-serving and retired RCMP members.
[8] ibid
[9] ibid

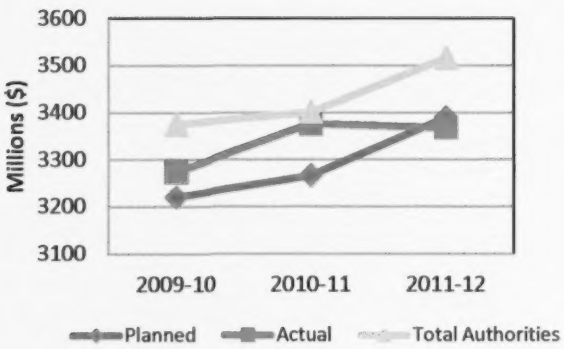
〉 Statistics Canada found a significantly lower risk of death from all causes among CF Veterans, compared with the general population.

**SO1 Highlights**

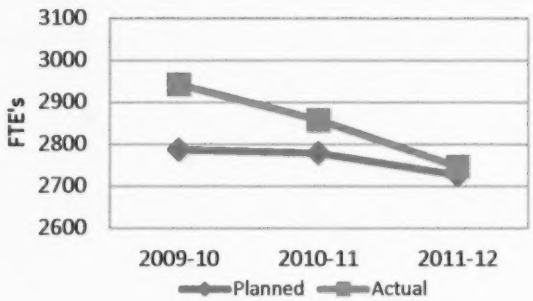
In 2011-2012, VAC:

- made 18,430 decisions on first applications for disability benefits;
- rendered 1,579 eligibility decisions on first applications for the Rehabilitation Program;
- answered 722,943 calls through the National Contact Centre Network; and
- completed 12,279 cases through the Bureau of Pensions Advocates.

**Financial Resources**




**Human Resources**




*Explanation of Charts*

Between the start and end of the 2011-2012 fiscal year, VAC's total authorities for Strategic Outcome 1 increased by about $128 million. This increase is mostly due to increased funding for Veterans benefits. The Department's budget each year tends to fluctuate due to the demand-driven nature of its programs which are based on need and entitlement. In other words, a Veteran who is entitled to a benefit is paid that benefit, whether 10 Veterans come forward, or 10,000.

In addition, the Department received new funding to enhance the New Veterans Charter, which provides financial support to those most seriously injured or ill Veterans, and a flexible payment option for those eligible for a disability award.

Finally, authorities were increased for collective bargaining entitlements including funding for severance pay-outs to certain employees who signed updated collective bargaining agreements.

Actual expenditures were less than total authorities by about $149 million. This decrease is partially attributed to deferred disbursements in the Disability Awards program—Veterans now have 90 days to determine whether they prefer a lump sum or series of payments. The reduction in spending is also the result of the sad reality that, with an average age of 87, traditional war service Veterans are passing away. Overall, VAC's spending reflects the changing demographic profile and changing needs of the men and women and families the Department serves.

In terms of full-time equivalents, an additional 20 were used during the fiscal year above what was planned at the start of the fiscal year.

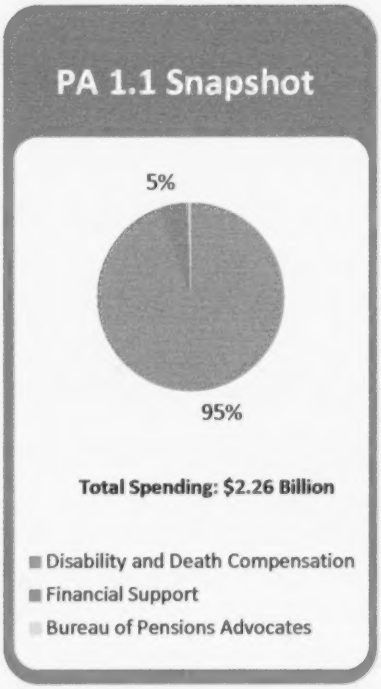
## Program Activity 1.1 – Compensation and Financial Support

*Sub Activities:*

- Disability and Death Compensation
- Financial Support
- Bureau of Pension Advocates

Veterans Affairs provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities.

Veterans Affairs has a comprehensive and integrated range of compensation and wellness programs to support Veterans and other individuals served by VAC. This includes: Veterans of the Second World War and the Korean War, Merchant Navy Veterans, Canadian Forces Veterans, men and women in uniform of the Canadian Forces, spouses, common-law partners, certain civilians, and survivors and dependants of military and civilian personnel.




Veterans Affairs also administers disability pensions for the Royal Canadian Mounted Police under a Memorandum of Understanding.

This Program Activity is delivered through operating resources and grants.

| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 2,263.9 | 2,358.9 | 2,261.1 | 909 | 941 | (32) |

| Expected Result | Performance Indicator | Target | Performance Status |
|---|---|---|---|
| War Service and Canadian Forces Veterans, men and women in uniform of the Canadian Forces and still serving and retired members of the Royal Canadian Mounted Police feel the disability compensation that they have received from Veterans Affairs Canada recognizes their service-related disability. | % of eligible Veterans and other individuals VAC serves who feel the disability benefits they have received from Veterans Affairs Canada has recognized their service-related disability | 65% | 74% |
| Eligible Veterans and other individuals VAC serves do not experience low income. | % of Canadian Forces Veteran Veterans with family incomes below the Low Income Measure (LIM) | <10% | 3% |

## Performance Summary and Analysis

Research shows that income level is an important indicator of overall health. In addition to giving Veterans and survivors disability compensation, VAC also provides financial support to ensure that their incomes meet their basic needs. As of March 2012, VAC was providing monthly disability pensions and lump-sum awards to 187,383 Veterans and others.

- The vast majority (94%) of eligible Veterans and other individuals[10] reported their income met their basic living expenses or better.

- Some 80% of survey respondents[11] said they were satisfied with their financial situation. Satisfaction ratings were highest among traditional Veterans (87%) and slightly less among CF Veterans (76%).

- The rate of low income among working Regular Force Veterans the Department serves (released from 1998 to 2007) was 3% compared to 9% in the general Canadian population and 11% compared to 31% for the non-working populations.

- Overall, 74% of Veterans[12] receiving disability benefits felt their disability benefits recognized their service-related disability.

**Other Notable Achievements**

In 2011-2012, VAC:

- completed 83% of disability benefits applications within 16 weeks of receiving all information to support the application from the Veteran, other individual the Department serves, man or woman in uniform of the Canadian Forces;
- completed 85% of Earnings Loss decisions within 4 weeks of receiving all information to support the application from the Veteran, other individual the Department serves, man or woman in uniform of the Canadian Forces;
- implemented the new payment options for disability awards in October 2011, giving Veterans a choice on how they receive their benefits; and
- increased financial support for seriously injured Veterans, who are now guaranteed a minimum pre-tax income of $58,000 a year.

[10] Veterans and other individuals include: War Service Veterans; Canadian Forces Veterans and men and women in uniform of the Canadian Forces; survivors over the age of 25 and in receipt of VIP; and still-serving and retired RCMP members.

[11] ibid

[12] ibid

**Lessons Learned**

*What worked well*

In terms of Strategic Outcome 1, VAC worked hard in 2011–2012 to ensure that its services were delivered to Veterans as quickly and effectively as possible. Cutting red-tape to ensure improved serve to Veterans and other individuals the Department serves remains a priority for the Department. As a result, Veterans are now seeing their applications for disability benefits processed from 24 weeks to 16 weeks. This is 33% faster than in January 2011. Decisions on their eligibility for rehabilitation services are also being rendered twice as fast. The key to these improvements was eliminating cumbersome former ways of doing business, and increasing the use of technology.

VAC has also significantly enhanced the NVC, following its promise to Veterans that the Charter would evolve to meet their needs. The amended version of the Charter allows the Department to provide more benefits for Veterans, along with more flexible payment options. Veterans can now receive greater monthly financial support through the Earnings Loss benefit, and also have improved access to the Permanent Impairment Allowance. As well, a $1,000 monthly Permanent Impairment Allowance Supplement is now available for the most seriously injured CF Veterans.

*What could be improved*

The Office of the Veterans Ombudsman Report "Reasons for Decisions - A Matter of Procedural Fairness" (November 2011) called for improvements to disability benefit letters. The report noted letters did not provide a clear explanation of the decision; information was not presented in a way that allowed applicants to easily follow a decision maker's reasoning process; and content was generally vague. In response to these comments the Department immediately began reaching out to more than 300 Veterans to solicit their feedback on the letters and to find ways of simplifying their wording and improving their clarity. Changes to the letters are expected to take place in 2012–2013.

In the first two fiscal quarters of 2011–2012, timeliness was an issue in some areas. In particular, performance on War Veterans Allowance (WVA) decisions lagged behind the target of 80%: with decisions being rendered 75% of the time within four weeks. The main problem was that WVA staff were often called on to help the National Contact Centre Network (NCCN) staff to answer calls during high-volume times. To correct this situation, VAC implemented new workforce management technology to allow improved NCCN staff scheduling. The result is that WVA staff now focus primarily on decision-making, enabling the Department to exceed its target for the final quarters of 2011–2012.

As well, effort was put into improving the timeliness of decisions for the attendance allowance benefit. VAC's actions to improve this area included communicating with other offices, and offering decision-makers additional training.

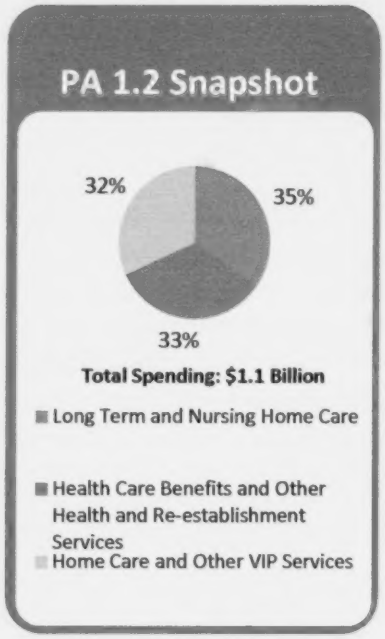
## Program Activity 1.2 – Veterans Healthcare and Re-establishment

*Sub Activities:*

- Long Term and Nursing Home Care
- Health Care Benefits and Other Re-establishment Services
- Home Care and Other Veterans Independence Program Services

Veterans Affairs Canada provides health benefits, a Veterans Independence Program, long-term care, and rehabilitation and re-establishment support to eligible Veterans and others. The Health Care Program is designed to enhance the quality of life of the people the Department serves, promote independence, and assist in keeping Veterans and other individuals the Department serves at home and in their own communities by providing a continuum of care.

This activity is delivered through contributions, grants and operating resources.




| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 1,124.6 | 1,157.3 | 1,106.4 | 1817 | 1805 | 12 |

| Expected Result | Performance Indicator | Target | Performance Status |
|---|---|---|---|
| Veterans in receipt of home care services through the Veterans Independence Program are able to remain in their own homes and communities | % of community dwelling Veterans in receipt of the Veterans Independence Program who are admitted to a long term care facility during the fiscal year. | < 10% | 4.8% |
| Canadian Forces Veterans who are not retired or totally disabled actively participate in the civilian workforce | % of Veterans who are not retired or totally disabled who actively participate in the workforce | 80% | 87%[13] |
| War Service and Canadian Forces Veterans, men and women in uniform of the Canadian Forces, still serving and retired members of the RCMP report "good" "very good" or "excellent" mental health | % of eligible Veterans and other individuals VAC serves who report "good" "very good" or "excellent" mental health | 70% | 82% |

[13] of Regular Forces Veterans released from 1998-2007

## Performance Summary and Analysis

Research demonstrated that individuals with chronic health conditions generally report poorer health and that self-reported health declines with age.

- Overall, 52% of Veterans and other individuals reported their health as "good," "very good" or "excellent." However, this figure falls short of VAC's target of 60%.
- Some 62% of eligible Veterans and other individuals[14] reported that their sense of belonging to their community was "very strong" or "somewhat strong." This exceeded VAC's target of 50%.
- Regular Force Veterans (released from 1998 and 2007) who receive VAC benefits had a much lower self-assessed health level than a comparable group within the general population. Only 28% reported their health as "very good" or "excellent" compared to 61% of the Canadian general population.

Employment has been found to promote one's physical, mental and social well-being[15].

- The employment rate of 86.5% (excluding those not on the labour force i.e. retired and not able to work) experienced by Regular Force Veterans released between 1998 and 2007 was comparable to that of the general population.

**Other Notable Achievements**

In 2011-2012, VAC:

- implemented a new minimum pre-tax income for Veterans: $58,000 a year for those in rehabilitation—to last until they are no longer able to be gainfully employed, or until age 65;
- ensured that all applicants received their VAC health card within six weeks of being approved;
- continued to meet, or exceed, its service standard of one case manager for every forty case managed Veterans; and
- implemented outreach initiatives in Toronto, Vancouver and Montréal, to give help to homeless Veterans.

[14] ibid

[15] http://www.phac-aspc.gc.ca/ph-sp/determinants/index-eng.php

**Lessons Learned**

*What worked well*

In line with "cutting red tape," VAC implemented a range of new processes. In order to improve two aspects of services—enhancing relationships with both health-related provides and Veterans, and speeding up the ability to make changes in the system—VAC worked closely with the contractor that handles the Department's claims processing. This will result in faster service for Veterans and other individuals the Department serves.

The Department developed a new method for determining the rules for some benefits, removing the need to authorize most high use/low cost items. Later in 2012, this method will be applied to medical supply benefits, and prosthetic and orthotic benefits. As well, for some 77% of treatment benefits, Veterans and other individuals the Department serves will no longer have to get renewed approval to continue with the same benefits.

Veterans with complex treatment needs will benefit from the ease of communication that new technology can provide. An expansion to the Benefits and Health Services On-Line system allows VAC case managers to request and receive reports online. This electronic access to health records allows VAC staff to make faster decisions.

Another initiative, begun in August 2011, was the digitalization of service health records held by Library and Archives Canada. As of March 2012, approximately two million pages have been scanned and transferred to VAC's Client Services Delivery Network (CSDN).

A new option for VIP services and benefits is direct deposit: some 47,000 Veterans and other individuals in receipt of the benefit chose to receive reimbursements directly into their bank accounts, rather than being issued paper cheques.

*What could be improved*

In 2011–2012, VAC, DND, and SISIP Financial Services (the Service Income Security Insurance Plan, a division of the Canadian Forces Personnel Support Agency) began to review the existing Program Arrangement. As a result, the group began the process of updating and clarifying their roles and responsibilities in order to harmonize services for individuals receiving medical, psycho social and vocational rehabilitation services. This work is expected to be completed in 2012–2013.

Another "cutting red tape" initiative was to ease the burden of asking Veterans for receipts for their health-related travel. Until recently, Veterans and other individuals VAC serves who had to travel to visit their health-care providers were required to provide receipts before they could be reimbursed; this often caused delays. In the spirit of improving services to those people the Department serves, in 2011–2012 VAC began to streamline the administrative process. The new operating policy, to be implemented in 2012–2013, means that Veterans will no longer be required to provide receipts; they will simply have to keep them in case of an audit.

| Strategic Outcome 2 | Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace |
|---|---|

**Program Activities**

| Remembrance Outreach | National and International Memorials |
|---|---|

Remembrance-based activities are a large part of VAC's mandate. The courage, determination and sacrifice of generations of Veterans is one reason that Canada is now a free and peaceful country. Remembering the contributions of Veterans depends on Canadians actively acknowledging their achievements and sacrifices.

**Spending Breakdown by Program Activity 2011-12**

More than 8.5 million Canadians participated in remembrance activities in 2011–2012. However, despite this, Strategic Outcome 2 did not meet its target; Results for this strategic outcome have fluctuated over the past few years. VAC will monitor this trend and determine what can be done to create more consistency. Overall, the vast majority of Canadians (93%) agree that Veterans should be recognized for their sacrifices.

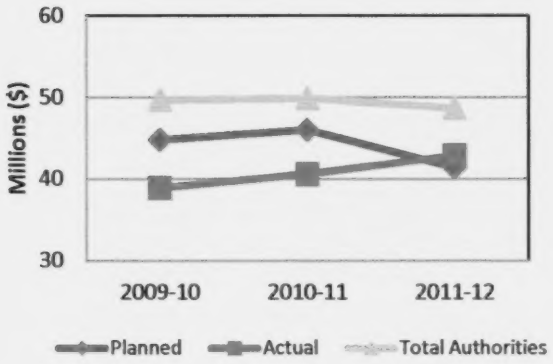
- 25% of Canadians report participating in a Veterans' Week activity, such as a Remembrance Day ceremony. Of those respondents, 67% said they had made an effort to demonstrate their appreciation to Veterans in the past year.

**SO2 Highlights**

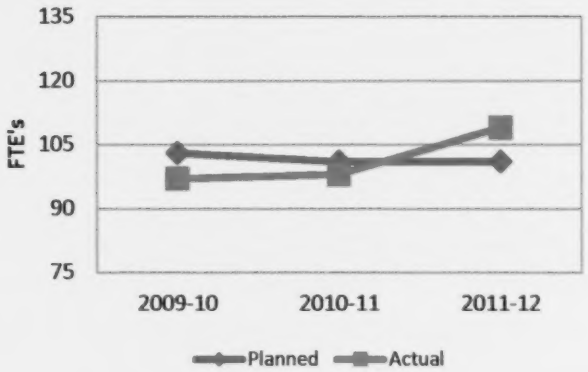
In 2011–2012, VAC:

- led or supported more than 855 national and international remembrance ceremonies and events;
- promoted its learning resources by sending 120,000 e-mails to approximately 25,000 educators; and
- welcomed more than 20,000 Canadians, including 7,000 youth, to the First World War historical sites at Vimy and Beaumont-Hamel; some 61,000 visitors participated in guided tours of tunnels and trenches.

**Financial Resources**




**Human Resources**




*Explanation of Charts*

Between the start and end of the 2011-2012 fiscal year, VAC's total authorities for Strategic Outcome 2 increased by about $7.3 million. This was mostly due to the re-allocation of $3 million for the Remembrance Advertising Vignette, which, at the beginning of the fiscal year, was included within the Internal Services Program Activity. Other factors for the increases were: new funding for the Remembrance Advertising Vignette, the Community War Memorial Program, a transfer from Canadian Heritage for the Historica-Dominion Institute's "The Memory Project" and finally, increased funding to pay for severance pay-outs to certain employees per collective bargaining agreements.

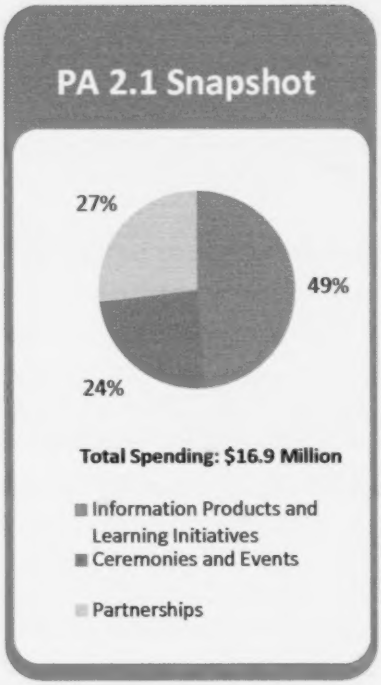
The $5.8 million difference between total authorities and actual spending is mainly attributable to the maintenance of war graves overseas (favourable exchange rates), the Community War Memorial Program (fewer applications than expected and delays in project completion), and reduced spending on administration.

In terms of full-time equivalents, eight additional FTEs were used during the fiscal year.

Program Activity 2.1 – Remembrance Outreach

*Sub activities:*

- Information Products and Learning Initiatives
- Ceremonies and Events
- Partnerships




Remembrance Outreach is responsible for providing Canadians, especially youth, with opportunities to learn about remembrance subjects through printed and online materials and activities.

The Remembrance Outreach Program provides leadership and support to ceremonies and events, in Canada and internationally, that recognize and honour Canada's war dead and Veterans.

Through the Partnership Contribution Program, non-profit organizations are able to apply for financial assistance to undertake remembrance initiatives that extend Veterans Affairs Canada's remembrance mandate.

This activity is delivered through contributions, grants and operating resources.

| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 12.8 | 19.3 | 16.9 | 78 | 80 | (2) |

| **Expected Result** | **Performance Indicator** | **Target** | **Performance Status** |
|---|---|---|---|
| The memory of the achievements and sacrifices of those who served Canada in war, military conflict and peace is preserved. | Percentage of Canadians aware of the achievements and sacrifices of Canadian Veterans. | 70% | 83% |

**Performance Summary and Analysis**

Canadians are increasingly aware of the achievements and sacrifices of Veterans.

- Surveys show that the percentage of the general public who are aware of what Canadian Veterans have done is 83%—slightly higher than the figure on the previous survey, 79%.
- As well, 79% of Canadians say they are proud of Canada's military role in conflicts like the First and Second World Wars, the Korean War, and Afghanistan. As in previous studies, 72% feel they know about the role Canada has played in those conflicts.
- Around 86% of the youth who participated in VAC's "Canada Remembers Theme Week," along with initiatives such as "Encounters with Canada" and various learning modules, had a better understanding of the accomplishments of Veterans. Similarly, 88.5% of the educators who used VAC's learning products in the classroom reported the same results.
- Remembrance is being included in various sports across the country, such as several levels of hockey, football, basketball, and volleyball. For example, "commemorative puck drops" make tens of thousands of youth aware of what Veterans have achieved.

**Other Notable Achievements**

In 2011–2012, VAC:

- conducted public events, in Canada and overseas, to mark the 95th anniversary of the Battles of the Somme and Beaumont-Hamel;
- continued to modernize its outreach to better engage Canadians, especially youth, through social media and online tools; and
- acquired more than 650,000 Facebook participants for its *Canada Remembers* page, making it one of Canada's largest online communities.

**Lessons Learned**

*What worked well*

Successful partnerships developed over the past year—such as the "Portraits of Honour[16]" mural project, sponsored by Kin Canada —showed that Canadians are keen to support interactive and "hands-on" remembrance initiatives.

[16] http://portraitsofhonour.ca

VAC's use of interactive technologies on its website—such as "Land of the Morning Calm: Canadians in Korea 1950–1953[17]," and in social media such as Facebook and YouTube—is popular with the public. The Department will continue to focus on innovative ways to deliver remembrance programming to Canadians, especially youth.

Another way to engage youth is through VAC's Student Guide Program: each year, 45 Canadian students are hired to work as tourist guides at popular Canadian war sites in France, such as Vimy or Beaumont-Hamel. This gives them valuable work experience, and also increases their knowledge of Canada's efforts during the two World Wars. The program encourages the students to continue their involvement with commemoration when they return home.

*What could be improved?*

One area of VAC's remembrance programming that could be strengthened is the commemoration of modern-day Veterans. It is important to seek out more opportunities to highlight their contributions, so that all men and women who serve in uniform feel recognized and remembered.

[17] http://www.veterans.gc.ca/eng/collections/korea

## Program Activity 2.2 – National and International Memorials

*Sub activities:*

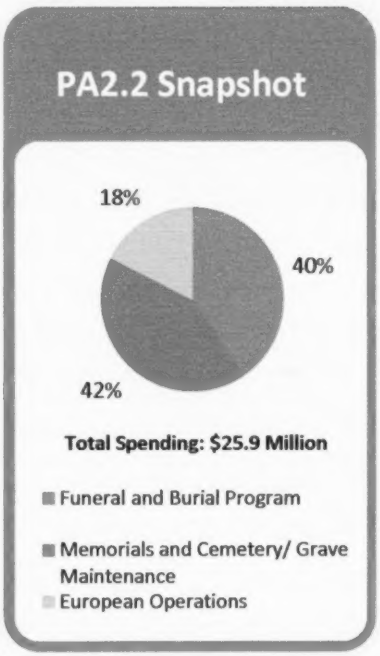
- Funeral and Burial Program
- Memorials and Cemetery/Grave Maintenance
- European Operations

This activity is responsible for the delivery of funeral, burial and grave marking benefits, the preservation of memorials overseas and cemetery and grave maintenance, nationally and internationally.

VAC also has an international presence in Europe.

The administration of funeral, burial and grave marking benefits is carried out in partnership with Last Post Fund Corporation and the maintenance of war graves and Memorials throughout the world is delivered in partnership with the Commonwealth War Graves Commission. VAC also manages the maintenance of approximately 200,000 Veterans' grave in over 6,500 cemeteries throughout Canada.

This activity is delivered through Grants and Operating resources.




| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 28.6 | 29.4 | 25.9 | 23 | 29 | (6) |

| Expected Result | Performance Indicator | Target | Performance Status |
|---|---|---|---|
| Canadian Veterans and war dead are recognized and honoured in death. | % of Canadians who feel it is important that Veterans Affairs Canada maintains memorials, cemeteries, grave markers and provides funeral and burial assistance. | 75% | 92% |

### Performance Summary and Analysis

Survey results indicate that although 92% of Canadians think it is important for VAC to pay tribute to deceased Veterans and war dead—by maintaining memorials, cemeteries and grave markers, and by providing funeral and burial assistance—only 65% are satisfied with the Department's performance. However, this is an increase from 59% in 2010.

In 2011–2012, the Department's Audit and Evaluation Division reviewed the Memorials and Cemetery/Grave Maintenance program. The results both confirmed the program's continued relevance, and identified some opportunities for further improvement.

**Other Notable Achievements**

In 2011–2012, VAC:

- provided assistance to 1,525 Veterans' funeral and burial expenses through the Last Post Fund;
- maintained 110,000 Canadian graves, through the Commonwealth War Graves Commission;
- maintained 5,186 graves of Veterans buried across Canada;
- supported the construction of 40 community war memorials, in communities across Canada, through the Community War Memorial Program (CWMP); and
- provided funding to support approximately 40 restorations to existing cenotaphs/ monuments through the Cenotaph/Monument Restoration Program.

**Lessons Learned**

*What worked well*

VAC has noted an increase in the number of young people visiting its overseas memorials, and will continue to build on this interest.

Visits to Canada's thirteen First World War memorials in Europe, including some by Newfoundland, are on the rise—both by Canadians, and by other people from around the world. This rise is expected to continue, as the First World War Centennial period (2014–2018) approaches.

Most memorials in Canada belong to the communities and organizations that erected them, and VAC has no direct role in their preservation. However, if one is ever damaged or vandalized, and VAC becomes aware of it, the Department contacts those responsible to tell them about the Cenotaph/Monument Restoration Funding Program. This allows the group to apply for funding to help repair their monument.

*What could be improved?*

VAC is reviewing the Funeral and Burial Program to explore options on how to cut red tape, and to better help Veterans and their families.

Since only 65% of Canadians are satisfied with how VAC recognizes and honours living Veterans and war dead, VAC will continue to monitor the situation and look for ways to improve in this area.

| Strategic Outcome 3 | Veterans and other individuals the Ombudsman serves receive an independent and impartial review of VAC related complaints |
|---|---|

**Program Activities**

Veterans Ombudsman

The Veterans Ombudsman ensures the fair and equitable treatment of any Veterans and/or their representatives who have applied for, or receive, benefits and services from VAC.

The Office of the Veterans Ombudsman (OVO) addresses complaints, reviews emerging issues, and examines any systemic problems brought to its attention. Its mandate covers programs and services provided or administered by VAC, and those related to the Veterans Review and Appeal Board. More broadly, the OVO plays an important role in expanding public awareness—both of Veterans' needs, and of the contributions they continue to make to Canadian society once they return to civilian life.

**SO3 Highlights**

In 2011–2012, VAC:

- received 7,113calls/emails/letters
- served 1,167 Veterans and other individuals
- reviewed 1,778 issues
- addressed and closed 1,602 issues

### Program Activity 3.1 – Veterans Ombudsman

This program provides war service Veterans, Veterans and men and women in uniform of the Canadian Forces (Regular and Reserve), members and former members of the Royal Canadian Mounted Police, spouses, common-law partners, survivors and primary caregivers, other eligible dependants and family members, and other eligible individuals and representatives of these groups with the opportunity to request independent reviews of their complaints by impartial individuals who were not part of the original decision-making process.

The Veterans Ombudsman has the mandate to review and address complaints by Veterans, other individuals and their representatives arising from the application of the provisions of the Veterans Bill of Rights; to identify and review emerging and systemic issues related to programs and services provided or administered by the Department or by third parties on the Department's behalf that impact negatively on Veterans and other individuals; to review and address complaints by these individuals and their representatives related to programs and services provided or administered by the Department or by third parties on the Department's behalf, including individual decisions related to the programs and services for which there is no right of appeal to the Board; to review systemic issues related to the Board; and to facilitate access by Veterans and other individuals to programs and services by providing them with information and referrals.

| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 5.9 | 6.8 | 5.6 | 40 | 47* | (7) |

| Expected Result | Performance Indicator | Target | Performance Status |
|---|---|---|---|
| Veterans and their families are aware of and have access to Ombudsman services. | Percentage of Veterans and their families that feel they have access to and are aware of the services offered by Ombudsman. | 80% | Unable to assess** |
| Veterans and their families are aware of the issues and recommendations raised by the Ombudsman's Office. | Percentage of Veterans and their families surveyed that have an awareness of the issues raised by the Ombudsman Office. | 80% | Unable to assess** |
| Observations and reports submitted to the Department are acknowledged. | % of responses to observations and report submitted to the Department. | | 100%. |

*Includes 37 FTEs in the OVO and 10 FTEs in VAC to support the Office

**Unable to assess due to changes introduced to public opinion research by the Government of Canada

**Performance Summary and Analysis**

The OVO continues to help Veterans by intervening on their behalf. In 2011–2012, its caseload was 1,778 files (231 existing and 1,547 new). The Office closed 1,602 cases; of those, 71% were either resolved or referred to another agency. The other 29% were cases that were either outside the OVO's mandate, or were not substantiated. As of March 31, 2012, 176 cases were still being worked on.

Through the process of early intervention, the OVO team was able to identify several systemic issues that affected much larger groups of Veterans. These issues were brought to the attention of VAC, which dealt with them appropriately. As a result, many more Veterans were able to access the benefits and services they needed.

The OVO continues to focus on raising the profile of the Office. Throughout the year, the Ombudsman:

- attended many events across the country;
- met with a number of associations;
- was a guest speaker at several groups and federations;
- spoke to the Senate Committee on National Finance;
- addressed the House Standing Committee on Veterans Affairs;
- conducted many "town hall" meetings across Canada;

- met with hundreds of Veterans, military and RCMP members, and any other interested people; and
- engaged all Canadians (including Veterans) online, via approaches such as Facebook, YouTube, Twitter, and blogs.

**Lessons Learned**

*What worked well*

In 2011–2012, the OVO continued to work hard to provide timely intervention services. One way to increase service delivery was to update the Office's telephone system. This system enabled the Office to improve calls answered by 18% over the previous fiscal year. In addition, the Office has increased the turnaround time for resolving information requests and referrals by 26% and for resolving interventions by 2%. To further improve services, the full range of internal services will be reviewed and the capacity for information management will be strengthened.

During the year, the Office also focused on developing its capacity for research and investigation, using a mix of internal and external resources. To address the very specialized skills required to effectively operate the OVO, it will design and launch a professional-development program to meet the future demands of Ombudsman work.

The Office is committed to protecting the information it collects. In July 2011, it asked the Minister of Veterans Affairs to give OVO the autonomy to process its own Access to Information and Privacy (ATIP) requests (under the provisions of Section 73 of the *Privacy Act*, and Section 73 of the *Access to Information Act*). The Office will now be able to respond directly to such requests, and will be able to advise anyone seeking information it controls. To make this easier, the Office has formed its own ATIP unit, and is also developing a governance structure, establishing roles and responsibilities, and creating an operations manual and internal processes.

*What could be improved*

The OVO continues to improve operations thereby maintaining stability to function effectively in the future. The Office is undertaking several initiatives to further facilitate the foundation of the Veterans Ombudsman's mandate, while maintaining efficiency and functionality. This includes reviewing the full range of internal corporate services for the Office, reviewing and incorporating changes to the records/information management framework and further developing capacity within the area of research and investigations.

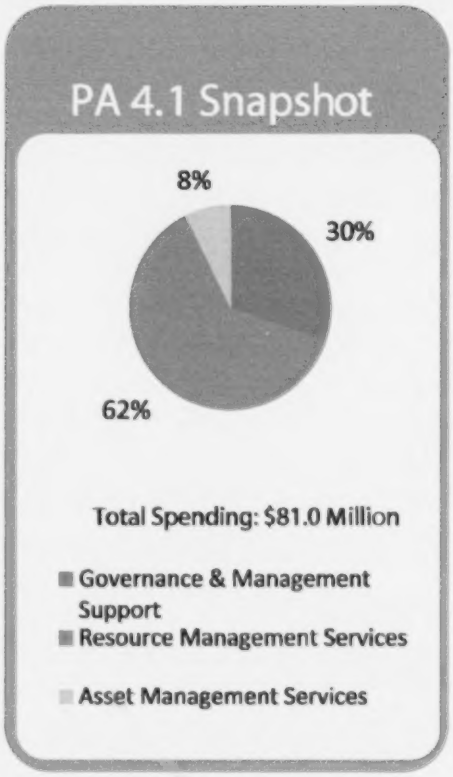
### Program Activity 4 – Internal Services

*Sub Activities:*

- Governance and Management Support
- Resource Management Services
- Asset Management Services

Internal Services are groups of related activities and resources that support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services.

Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.




| Financial Resources ($ millions) | | | Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| 87.4 | 96.9 | 81.0 | 798 | 722 | 76 |

**Performance Analysis and Lessons Learned**

*What worked well*

As required by the Internal Audit Policy, in 2011–2012 VAC's Chief Audit Executive created an independent annual report on the effectiveness of the Department's risk management, control, and governance processes. The report concluded that VAC is undergoing a period of significant change—one that requires strong governance in promoting strategic direction, accountability, and performance monitoring. Despite the challenges of the current pace of change, the audit determined that, overall, the Department is providing appropriate direction and accountability.

VAC's internal audits continue to provide valuable assessments of operations, and to identify opportunities to further improve the quality of programs and services.

In 2011–2012, the Department completed an Integrated Human Resource and Business Planning process. Its aim was to identify requirements such as core skills and official language requirements, in order to equip staff with the skills necessary to support the Department. VAC's goal is to develop a three-year human-resource strategy to support its service delivery.

VAC continues its strategy of quarterly reporting (introduced in 2010–2011), to monitor its delivery of programs and services. When problems are detected early, program managers can more easily make informed decisions, and begin corrective action. This quarterly reporting, with its enhanced ability to monitor progress and areas of need, is creating a departmental culture of measurable performance—with the aim of ensuring that all programs are delivered in time and on budget.

VAC is a participant in the Federal Sustainable Development Strategy (FSDS) and contributes to the Greening Government Operations targets through its Internal Services program activity. The Department contributes to the following target areas of Theme IV (Shrinking the Environmental Footprint – Beginning with Government) of the FSDS:

- green meetings
- green procurement
- surplus electronic and electrical equipment
- print reduction
- paper consumption

For additional details on VAC's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III.

*What could be improved*

Although VAC has made great strides in protecting the personal information in its care, it is always looking for more ways to improve. All ten items from the Privacy Action Plan (originally tabled in 2010) have been implemented, in order to strengthen controls and monitoring. This work will continue and in early 2013 a second version of this plan will be implemented to ensure that the Department remains vigilant with respect to safeguarding personal information.

Another potential area for improvement at VAC is managing change. Some activities launched in 2011–2012 included the Everyday Skills Workshop, delivered to over 600 employees. The workshop was later revised to better meet the needs of staff, and the Department will continue to review and assess the content and delivery to ensure that everyone benefits. Such support—including other learning activities, tools, resources and initiatives—is essential to the goal of managing change, as the Department moves through a time of transformation.

## Impacts on Financial and Human Resources Resulting from the Establishment of Shared Services Canada

| 2011–2012 Financial Resources ($ millions) | | |
|---|---|---|
| | **Planned Spending** | **Total Authorities*** |
| Net transfer post Orders in Council (OIC)** to Shared Services Canada (SSC) | 6.7 | 6.7 |
| **2011–2012 Human Resources** | | |
| | **Planned** | **Actual** |
| Deemed to SSC | 88 | 88 |

* Pursuant to section 31.1 of the *Financial Administration Act* and Orders in Council P.C. 2011-0881, P.C. 2011-0877 and P.C. 2011-1297, this amount was deemed to have been appropriated to SSC, which resulted in a reduction in the appropriation for Veterans Affairs Canada.

** Total authorities, as presented in the "2011–12 Financial Resources" table (and other relevant tables) in the "Summary of Performance" section, is the net of any transfers to SSC. Actual spending does not include expenditures incurred on behalf of SSC as of the OIC date.

# Section III : Supplementary Information

## Financial Highlights

The financial highlights presented in the 2011–2012 Departmental Performance Report serve as a general overview of Veterans Affairs Canada's (VAC) financial position and operations. These financial highlights were prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

## Financial Statements

| Condensed Statement of Financial Position (unaudited)<br>*As at March 31, 2012*<br>($ thousands) | % Change | 2011–2012 | 2010–2011* |
|---|---|---|---|
| Total net liabilities | -28% | 88,282 | 123,177 |
| Total net financial assets | 0% | 66,242 | 66,039 |
| Departmental net debt | -61% | 22,040 | 57,138 |
| Total non-financial assets | -23% | 110,050 | 142,600 |
| Departmental net financial position | 3% | 88,010 | 85,462 |

| Condensed Statement of Operations and Departmental Net Financial Position (unaudited)<br>*For the year ended March 31, 2012*<br>($ thousands) | % Change | 2011–12 | 2010–11* |
|---|---|---|---|
| Total expenses | 0% | 3,517,101 | 3,515,854 |
| Total revenues | 73% | 19 | 11 |
| Net cost of operations before government funding and transfers | 0% | 3,528,109 | 3,533,587 |
| Departmental net financial position | 3% | 88,010 | 85,462 |

*Restated

*Condensed Statement of Financial Position*

Assets decreased by approximately $32 million in 2011–2012. This is mostly a result of amortization and the transfer of certain information technology assets to Shared Services Canada. As well, there was a decrease associated with the restoration costs for the Vimy Monument in France as standard government accounting policy states that costs for works of art and/or items of cultural/historical significance are not capitalized. As such, these items were expensed before year-end.

Liabilities decreased by approximately $35 million in 2011–2012. This is mainly the result of a $27 million decrease in the employee future benefit liability as severance benefits were paid to certain employee groups that, through updated collective bargaining agreements, were given

the option of either receiving an immediate payout (full or partial) of the value of benefits earned to date, or of collecting the full or remaining value to their benefit entitlement when leaving the Public Service. An additional $6 million decrease was the result of a reduction in accounts payable and accrued liabilities at the end of the fiscal year.

*Condensed Statement of Operations*

Expenses for 2011–2012 were relatively consistent with 2010–2011. As outlined in Section II of this report, overall spending decreased by $6 million compared to the previous fiscal year. This decrease is primarily due to a drop in program spending of $35 million, which was offset by a $29 million increase in operating expenditures. The most significant events to affect the Department's financial situation in 2011–2012 included:

- enhancements to New Veterans Charter programs providing improved financial support for those most seriously injured or ill Veterans. These enhancements included more flexible payment options for those receiving a disability award. The flexible payment option deferred disbursements in the Disability Awards program as Veterans now have 90 days to choose their preferred payment option;
- severance benefits paid to employees of groups that negotiated collective agreements, which increased Operating expenditures;
- an increase in *ex gratia* payments;
- the transfer of resources to Shared Services Canada; and
- a reduction in the number of employees, as well as the mortality rate of traditional war service Veterans.

Total revenues increased by $8 thousand from 2010–2011 to 2011–2012 as the result of the disposal of surplus Crown assets. VAC realized a gain on the sale of two motor vehicles and a piece of office equipment.

For complete information on Veterans Affairs Canada's Financial Statements, please visit the Department's website.

## List of Supplementary Information Tables

The following supplementary information tables can be found on Veterans Affairs Canada's website.

- Details on Transfer Payments Programs
- Greening Government Operations (GGO)
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- Sources of Respendable and Non-Respendable Revenue
- Status Report on Projects Operating with Specific Treasury Board Approval

# Section IV : Other Items of Interest

## Websites

The following websites will provide more detailed information on material provided in this report. If further information is required, contact may be made through the Veterans Affairs Canada (VAC) general enquiries lines.

***Veterans Affairs Canada:***
veterans.gc.ca

***Office of the Veterans Ombudsman:***
ombudsman-veterans.gc.ca

***Sources***
Performance related information contained in this report was taken from various sources including:

1. 2010 National Client Survey
2. Canadian Forces Cancer and Mortality Study
3. 2010 Survey on Transition to Civilian Life
4. Statistics Canada before-tax Low Income Measure (LIM)
5. Attitudes Towards Remembrance and Veterans' Week 2011 Survey
6. Canadians' Awareness, Engagement and Satisfaction with Remembrance Programming

These reports contain the most recent data available at the time of the publication of this report.

## Contact Information

To make a general enquiry about Veterans Affairs Canada, its programs or services, call **1-866-522-2122**. To contact the Veterans Review and Appeal Board, call **1-800-450-8006**. To contact the Office of the Veterans Ombudsman, call **1-877-330-4343**.

## Portfolio Publications

VAC produces a variety of publications on its programs and services. Copies of these publications are available on the Department's websites.

For more information or to ask questions, contact:

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